



SERVICE AGREEMENT (ICB)

TERMS AND CONDITIONS

This Verizon ICB Service Agreement ("ICB Agreement") is made this March 17, 2011, by and between "Verizon," which refers to Verizon Business Network Services Inc., on behalf of Verizon Pennsylvania Inc. and any other Verizon affiliates identified in applicable service descriptions or the Guide (individually and collectively), and **Berks County Intermediate Unit # 14**, (referred to herein as "Customer"), located at 1111 Commons Boulevard, Reading, PA 19612

Services. Customer hereby requests and agrees to purchase from the Verizon company identified in the applicable Exhibit(s) ("Verizon") the services and products identified in Exhibit(s) attached to this Service Agreement (the "Agreement"), in any Exhibit (s) or Addendum expressly made a part hereof, and as may be further described in the attached exhibits and Verizon's tariffs, as may be applicable. (the "Services/Products", "Services"). The Services provided hereunder are part of a total, end-to-end solution which has been configured based upon the Customer's location and requirements. Customer requests and agrees to purchase such Services/Products for the service period stated in the Exhibit(s) or Addendum applicable to such Services/Products (the "Service Period"), subject to Verizon's receipt of any necessary regulatory and other governmental approvals required to provide the Service under the terms hereof. The Service and Products will be provided under the terms of this Agreement to the Customer locations specified in the attached Exhibit(s) and Addenda attached to or made a part hereof.

Tariff and Guide. Verizon's provision of Services to Customer will be governed by Verizon's international, interstate and state tariffs ("Tariff(s)") at <http://www22.verizon.com/tariffs/>, its "Service Publication and Price Guide" ("Guide") at www.verizonbusiness.com/guide, and this Agreement. [The Guide is applicable only to the Network Managed WAN Services provided hereunder.] This Agreement incorporates by reference the terms of each Tariff and the Guide. Verizon may modify the Guide from time to time, and any modification will be binding upon Customer, as provided in the Guide. If a conflict arises, the order of precedence is: (i) this Agreement (excluding the Guide and Tariffs), (ii) the Tariffs to the extent applicable; (iii) the Guide (iv) Verizon's Proposal to Pennsylvania Regional Wide Area Network E-Rate Consortium for Wide Area Network and Internet Services dated July 26, 2010, including the "Best and Final" response of August 23, 2010 (the "Proposal") and (v) the Request for Proposals for Wide Area Network and Internet Services by the Pennsylvania Regional Wide Area Network E-Rate Consortium Intermediate Unit One, Berks County Intermediate Unit 14, BLAST Intermediate Unit 17, Luzerne Intermediate Unit 18, Northeastern Educational Intermediate Unit 19, Schuylkill Intermediate Unit 29 and member schools (the "RFP"). Among the provisions of the Agreement, the order of precedence is: (i) Exhibits, Addenda, and Service Attachments, and (ii) these Terms and Conditions.

If Verizon makes any changes to the Guide (other than to Governmental Charges) that affect Customer in a material and adverse manner, Customer may discontinue the affected Service without liability by providing Verizon with written notice of discontinuance within 60 days of the date the change is posted on the above website, unless within 60 days of receiving Customer's discontinuance notice, Verizon agrees to remove the material adverse effect on Customer.

Charges. Customer will pay the rates and charges set forth in the attached Exhibit(s) and in any Addendum made a part hereof, and also shall pay all applicable taxes, fees, and charges, including but not limited to Federal End User Common Line Charges, charged pursuant to applicable law, regulations, or tariffs in connection with the Service. If Customer cancels or terminates this Agreement or any Service or Product prior to expiration of the Service Period, Customer will promptly pay to Verizon termination charges as set forth in the applicable Exhibit(s) and/or Addendum(a).

Notices. Notices under this Agreement shall be sent by first-class U.S. mail, postage prepaid, to Customer at the address specified above, and to Verizon at Verizon Business Services, 6415-6455 Business Center Drive, Highlands Ranch, Colorado 80130, Attn: Customer Service, email: notice@verizonbusiness.com, with a copy to Verizon Business Services, Attn: Vice President, Legal, 22001 Loudoun County Pkwy, Ashburn, Virginia 20147. Notices shall be deemed effective five business days after such mailing.

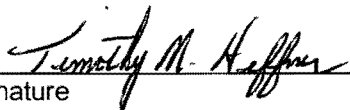
Miscellaneous

- (a) Except as otherwise indicated, neither party will disclose the terms of this Agreement to any other person without the prior written consent of the other party, except as may be necessary to comply with applicable law, regulation, or filing requirements. Verizon reserves the right to disclose the terms of this Agreement with its affiliates who may be performing services in conjunction with the provision of Services and Products to the Customer under this Agreement.
- (b) In the event of any claim or dispute, the laws of the jurisdiction in which Verizon provides to Customer the particular Service that is the subject of such claim or dispute shall apply. This Agreement and its provisions shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions.
- (c) No liability shall result from Service and/or Product failures caused by fires, floods, severe weather, acts of government or third parties, strikes, labor disputes, or other causes beyond such party's reasonable control.
- (d) If any provision of this Agreement or the provision of any Service under the terms hereof is illegal, invalid, or otherwise prohibited under applicable law or regulation in any state or jurisdiction, or does not receive any governmental or regulatory approval required by law in any state or jurisdiction, then this Agreement shall be construed as if not containing such provision or requiring the provision of such invalid, illegal, prohibited, or unapproved Service in such state or jurisdiction.
- (e) Verizon may assign or transfer part or all of this Agreement to any affiliate or successor to substantially all of its assets in the locations where Service is provided hereunder. Upon reasonable prior written notice to Verizon, Customer may assign or transfer this Agreement to any company that is the successor to substantially all of its assets, provided all charges for Service and Products provided prior to such transfer or assignment are paid in full when due. Except as otherwise required by applicable law or regulation, all other attempted assignments shall be void without the prior written consent of the other party.
- (f) Except as otherwise required by applicable law or regulation, the Service provided hereunder may not be resold by Customer. For clarification, Customer's use of the Verizon Services described in this Agreement is not considered a resale of such Services for purposes of this provision.

Tariffs and Limitation of Liability. The terms and conditions that shall apply in connection with the Service, and the rights and liabilities of the parties, shall be as set forth herein and in all applicable tariffs now or hereafter filed with the applicable state regulatory commission and/or the Federal Communications Commission. In no event shall Verizon be liable for any special, indirect, incidental, or consequential damages arising in connection with this Agreement or the provision of any Service, whether claim is sought in contract, tort (including negligence), strict liability or otherwise. This Agreement (including the Exhibit(s) attached hereto and any Addend(um/a) made a part hereof) and all applicable tariffs constitute the entire agreement between the parties and shall supersede all prior oral or written quotations, communications, negotiations, representations, understandings or agreements made by or to any employee, officer, or agent of any party on the subject matter hereof. This Agreement may not be modified or rescinded except by a writing signed by authorized representatives of each party.

AGREED AND ACCEPTED:

Berks County Intermediate Unit 14
(Customer)


Signature 3/17/11
Printed Name Timothy M. Heffner
Title President

Verizon Business Network Services Inc. on
behalf of the company identified in the applicable exhibits
(Verizon)

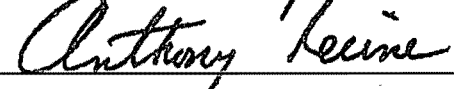

Signature Anthony Recine
Printed Name 24 Mar 2011
Title Vice President

Exhibit A

Verizon Company Name: Verizon Pennsylvania Inc. (referred to in this Exhibit as "Verizon")

State: Pennsylvania

Customer: **Berks County IU #14** (referred to herein as "Customer").

ICB-M Case No.: 2010-524418/2010-531350

TRANSPARENT LAN SERVICE (TLS)

- 1. Service and Rates.** Customer agrees to purchase the following Minimum Commitment of Service from Verizon at the rates set forth below for the Service Period identified below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, at Verizon's then-current retail rate. Customer shall provide to Verizon at each Customer location suitable and secure space, with suitable environmental conditions and uninterruptible power supply, building entrance facilities and conduit, for placement of the facilities and equipment to be used by Verizon to provide such Service.

Minimum Quantity	Service Item	Non-Recurring Charges	Monthly Unit Rate (each)	Total Monthly Rate	Total Initial NRC (Q*Initial NRC) *
IU #14					
14	100 Mbps EMS Access Line(ii)	N/A	\$ 700.00	\$9,800.00	N/A
1	1000 Mbps EMS Access line (i) – Location B1 below	N/A	\$ 3,912.00	\$ 3,912.00	N/A
3	1000 Mbps EMS Access line (ii)	N/A	\$ 1,800.00	\$5,400.00	N/A
Inter-office mileage – see Notes 1 to 3 below					

* Total Initial NRC equals Minimum Quantity times NRC. Applicable tariff non-recurring charges apply to any move or relocation of an existing Service or change to initial Customer configuration. Applicable NRC for adds after first twenty four months of the initial Service Period are set forth in Section 3 below.

(i) This includes fiber to Conterra

(ii) All other existing Verizon locations that do not have a piece or part of fiber connecting to Conterra fiber, may upgrade from 100 Mbps to Gige at \$1,800.00 MRC, only where facilities exist. Otherwise Special Constructions charges may apply for new services where facilities do not exist.

Notes

- Interoffice Mileage (IOF) applies when the Customer's serving wire center is different from the installed TLS switching office and equals the airline mile distance between Customer's serving wire center and the TLS switching office. For UNI Port and Access at bandwidths of 10Mbps, 100Mbps and 1000Mbps, the first 20 IOF Miles are included in the Monthly Unit Rate identified above. IOF Mileage charges will apply to any IOF Mileage which exceeds 20 miles. For UNI Port and Access at a bandwidth of 10Gbps, Customer shall be subject to all IOF Mileage charges, including the first twenty 20 miles.
- Additional charges may be required if suitable facilities are not available to provide Service at any locations, including but not limited to switch/port, IOF fiber and loop fiber availability on the day an order is placed.
- Any mileage quantities identified above shall be deemed initial estimates only and billing for mileage charges will be based on actual mileage.

2. Special Construction. There are no special construction charges included in the rates for the Minimum Quantities and Service Items identified in Section 1 above. If applicable, additional charges for special construction of Verizon network facilities ("Special Construction") will be separately stated. If required in connection with Verizon providing the Service, Customer must provide at its cost any conduit, pathways, and building entrance facilities required on private property, and suitable and secure space, power, and access for any equipment or facilities that Verizon may place at Customer's premises.

3. Service Period. Customer shall purchase the Service for a period of sixty (60) consecutive months commencing on July 1, 2011 (the In Service Date) and continuing through June 30, 2016. Billing for each Service Item will commence on the In-Service Date. The Service Period for all Service Items installed under this Exhibit will be coterminous. Customer may order additional Service at Verizon Locations only beyond the Minimum Quantity shown above at the rates set forth above during the first twenty-four (24) months of the Service Period via an amendment to this Agreement. Customer may order additional units after the first twenty-four (24) months of the Service Period at rates and charges to be mutually agreed upon via an amendment to this Agreement and payment of a Non-Recurring Charge in the amount of \$1,300.00 per unit. With at least 120 days prior to the expiration of the Service Period, Customer may send a written request to extend the Service Period for up to a maximum of five (5) additional 12 month periods. Any such extension will be contingent upon the mutual written agreement of both parties, via amendment to this Agreement, on the rates, terms, and conditions that will apply during any such extension. Special Construction charges will apply in addition to these rates if Special Construction work is required. Termination charges will apply to all Service disconnected prior to the end of the Service Period.

4. Start Date. Customer may not request a delay in Verizon's installation of the Service ordered hereunder that would not be consistent with the following: In order for these rates to be valid, the Customer must purchase Services for all locations listed below no later than the start date of July 1, 2011 for all locations ("Start Date") or as soon thereafter as the work required to be performed by Verizon in order to commence the Service at each location is completed, in which case Customer shall begin to pay the applicable charges for each location as the Service at each location becomes available for use. Installation shall be scheduled so that Minimum Quantity is fully installed on or before the Start Date.

5. Minimum Commitment and Shortfall. Customer acknowledges that the rates herein are contingent upon Customer purchasing at least the quantity of Service set forth above (the "Minimum Commitment"). Verizon will review Customer's account following each annual anniversary of the commencement of the Service Period and if the quantity of Service installed is less than the Minimum Commitment, Customer shall pay to Verizon an amount equal to the difference between the amount actually billed and paid for such Service and the amounts that would have been billed hereunder for that Service had Customer satisfied the applicable Minimum Commitment for such Service ("Annual Review"). Hereinafter, such amounts due Verizon shall be referred to as the "Shortfall Amounts". Verizon will issue an invoice to Customer for any Shortfall Amounts due hereunder. Ramp-Up Period months will be excluded from the calculation of Shortfall Amounts. Shortfall Amounts will not be assessed on units of TLS where Termination Charges have been imposed.

6. Termination Charges. If Customer cancels this Agreement in whole or in part or terminates any Service prior to the expiration of the Service Period, Verizon reserves the right to assess (and in which case, Customer shall pay to Verizon), a termination charge equal to One Hundred percent (100 %) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the unexpired portion of the Service Period. Termination charges will not apply if an exception contained in Verizon's applicable tariff applies. Any such termination liability charge shall be due and payable in one lump sum within 30 days of billing.

7. Additional Provisions

7.1 Conditions. The parties acknowledge that the rates and other terms of this Agreement are premised on Customer's commitments, unique network design requirements, and Customer's service mix, usage patterns and concentration, and other characteristics.

7.2 Service Continuation

(i) If, at the time of expiration of the Service Period, a new agreement or tariffed service arrangement with Verizon for the Services is not effective as defined above and Customer has not requested, in writing, disconnection of the Services, then the Services will be reverted to applicable tariff or other Commission-authorized rate(s) for the minimum service commitment period available. The applicable tariff or other Commission-authorized service arrangement will govern the service arrangement prospectively, including rates, terms and conditions, which may include charges for termination prior to the end of the minimum tariff service commitment period. If there is no applicable tariff or other Commission-authorized service arrangement, then the Service will be subject to disconnection upon the expiration of the Service Period of this Agreement. If, upon expiration of the Service Period, there is a delay in reverting rates to the applicable tariff or other Commission-authorized rate(s), or in disconnecting the Services if no tariff or Commission-authorized service arrangement is available, the Service Period shall be deemed temporarily extended on a month-to-month basis until such reversion of rates or disconnection of Services is completed. In no event, however, will such temporary extension of the Service Period continue more than 12 months after the expiration of the initial Service Period.

(ii) If Customer provides written notice to Verizon that it desires to negotiate a new contract or tariffed service arrangement to continue or replace the Services provided for herein, the Service Period shall automatically be extended for a period not to exceed 120 days from the end of the initial Service Period or any extended Service Period to allow the parties to finalize a new agreement or to transition to a tariffed service arrangement. Such written notice must be provided by Customer at least 30 days prior to the end of the Service Period. For purposes of this paragraph only, written notice may be by facsimile or electronic mail.

7.3 Detariffing. In the event any of the Services are hereafter detariffed, then the terms of the tariffs in effect immediately prior to such detariffing shall be deemed to be incorporated by reference and shall continue to apply to the provision of the Service to the same extent as such tariffs applied hereunder prior to such detariffing.

7.4 Facilities. The Service is available only from offices which have the necessary facilities to provide TLS on the standard TLS platform. Additional charges may be required if suitable facilities are not available to provide Services at any locations, or if any additional work, services, or quantities of Services are provided. In the event installation of additional network facilities is required to provide Services, Verizon will inform Customer of such applicable charges, and Verizon will install such facilities only upon mutual agreement of the parties to such additional charges as reflected in an amendment to this Agreement. If Customer does not agree to pay such additional charges, then neither the additional facilities nor the Services that required such additional facilities will be installed; termination charges for such facilities and affected Services will not be applied.

7.5 Customer Purchase Orders. The terms and conditions contained on a Customer purchase order document (whether signed by one or both parties) shall not apply to the provision of the Service and shall not modify the terms and conditions of this Agreement.

7.6 Maximum Allowable Range for Service. The maximum allowable range for the Service is determined by the dB loss rate. The actual distance between the TLS equipped serving central office and Customer's location may vary due to the facility used in each serving arrangement. The maximum dB loss cannot exceed 20dB @ 1310nm for 10Mbps, 26dB @ 1310nm for 100Mbps, 9.5dB @ 1330nm for 1000Mbps or 22dB @ 1550nm for 1000Mbps. Service is available only where database loss is not exceeded.

7.7 If seeking E-Rate funding under the Federal Universal Service Fund from the Universal Service Administrative Company ("USAC") with respect to the Services and/or equipment provided pursuant to this Agreement, then:

a. Customer shall be solely responsible for applying for and securing any E-Rate funding, and for ensuring the accuracy and integrity of all data and information submitted in connection with such application; and

b. Verizon shall have no liability arising from any assistance it provides Customer in connection with such application and Customer shall hold Verizon harmless with respect to any such assistance or information provided to Customer.

If for any reason Customer fails to qualify for or secure E-Rate funding or otherwise becomes ineligible for such funding, or if such funding is withdrawn or canceled, or if payment of any Verizon charges is denied by USAC, Customer shall nevertheless be obligated to pay 100% of the charges associated with the Services and/or equipment provided pursuant to this Agreement that are not paid to Verizon from E-Rate funding.

7.8 Verizon, at its discretion, may increase the rates for the Service if this Agreement is not fully executed on or before March 24, 2011. As such, Customer must sign and date this Agreement and return it to Verizon no later than March 18, 2011.

7.9 Service Level Agreement.

Except as indicated below, Service Level Agreements for TLS and associated credits are as set forth in the applicable tariffs. There are no TLS SLAs for Jitter, Throughput, Latency, and Packet Transmission.

Mean Time to Repair	4 hours or less	Average of all outages for all customer TLS circuits over calendar month	50% MRC credit on those circuits out of service > 4 hours	UNI Port & Access
Network Availability	99.9% or greater	Average uptime across all customer TLS circuits	10% MRC on circuits not meeting threshold	UNI Port & Access

Delivery Service Level Agreement (applicable to Verizon's ability to delivery of the TLS Service on or before the agreed upon start date ("In-Service Date").

Delivery Service Scope. Verizon will install the Services on or before the mutually agreed upon In Service Date.

Delivery Service Process. The In Service Date will be established in the Installation Schedule to be developed and mutually agreed upon in writing by Customer and Verizon. The Delivery Service SLA is not available for Customer-ordered telephone company circuits and Verizon-ordered telephone company circuits outside the contiguous U.S.

General Exclusions: Verizon will not be obligated to issue Customer a performance credit under this SLA, to the extent installation delay results from any of the following:

- An incomplete, inaccurate or partially completed order submitted to Verizon by Customer. All installation intervals are dependent upon, and commence upon, Verizon's Order Entry acceptance of a fully completed and accurate written or electronic order form which includes, as applicable, site address and phone number, local site contact, demarcation and extended demarcation information, equipment detail (i.e., manufacturer, model, software version), trunk group definition to include signaling method, addressing method, outpulse string, framing and coding format, and equipment Verizon contact and phone number.
- Any act or omission on the part of Customer, its contractors or vendors, or any other entity over which Customer exercises control other than acts or omissions of Verizon approved 3rd Party Network or 3rd Party Maintenance providers with regard to the Managed WAN service,
- Scheduled maintenance on the part of Customer, Customer contractors or Customer vendors.
- Scheduled maintenance on the part of Verizon which are within Verizon's maintenance windows of which Customer is given at least 3 Business Days advance notice;
- Delays resulting from extension of the access circuit demarcation point.
- Customer Premises Equipment (CPE)

- Delays to the extent attributable to Customer applications, equipment or facilities.
- Installation delays during any period; where Verizon or its agents are not allowed access to the Customer's premises, CPE or any part of the access circuit or service.
- Insufficient capacity of the Customer's dedicated access lines to the network (Customer's responsibility to properly size the number of access lines into their facility).
- Force majeure
- Customer's refusal to give Local Access Provider and/or Verizon personnel access to affected installation site(s), and Verizon has made reasonable attempts to accommodate any reasonable objections made by Customer regarding the timing and duration of such access.
- Where customer has requested Verizon to cancel or delay completion of the installation. Such requests must be in writing.
- Non-standard Service applications requested by Customer.
- Service-affecting faults shown to be outside Verizon's network, including, but not limited to, customer PBX, Customer's private network, or Customer's domestic voice private network service used to access the network.
- Delays due to the LEC, (other than Verizon) or an "Alternative Access Provider" requiring new builds, add ons or build-outs to provide access to a Customer site from a Verizon POP and/or the Alternative Access Provider's POP. The "Alternative Access Provider" shall mean the alternative, competitive local exchange carrier.
- Orders expedited by Customer
- Installations outside of the 48 contiguous United States except as defined herein.
- Delays resulting from an order suspension due to Customer credit issues.
- Access circuits or Ports not ordered by Verizon
- Circuits provided from Other Verizon Networks (as defined in the Managed WAN SLA)

Delivery Service Remedy. To claim a credit, Customer must request it by calling the Billing Inquiry/Trouble telephone number on its invoice. At the time of the call, Customer must provide the company name, account number, circuit ID, name of the service (Internet Dedicated), contact name and number, email address, SLA installation date, and the actual installation date in order to process the request. Upon Customer's request, the Verizon Account Manager will reasonably assist Customer in processing the request for credits hereunder. If Verizon determines in its reasonable commercial judgment that there is a Circuit Installation SLA non-compliance, then at Customer's request, Customer's invoice will be credited an amount equal to the sum of 1/30th of the Monthly Recurring Charge per day per Site plus 1/30th of the applicable Monthly Recurring Charge per day per Site for each day thereafter that the Service is not available and operational to a Site.

CAP ON REMEDIES. The total credits issued to Customer as a remedy for Verizon's failure to meet the SLAs contained herein will not exceed One percent (1%) of the total annual billed revenue to the Customer under this Agreement.

8. Locations. The Services shall be provided to Customer under the terms hereof at the following Customer locations, provided such locations are located within Verizon's incumbent local exchange service area. Additional quantities of Services and Service to other Customer locations may be added to this Agreement only via an amendment to this Exhibit.

IU#14 Locations – Verizon

B1	Berks County IU 14	Main Office	1111 Commons Boulevard	Reading	19612	1000mbps
B2	Antietam SD	Antietam High School	100 Antietam Road	Reading	19606	100 Mbps
B7	Exeter Township SD	Exeter Township School District	3650 Perkiomen Avenue	Reading	19606	1000 Mbps

B8	Fleetwood Area SD	Fleetwood Area School District	801 N. Richmond Street	Fleetwood	19522	100 Mbps
B9	Governor Mifflin SD	Governor Mifflin School District	10 S. Waverly Street	Shillington	19607	100 Mbps
B10	Hamburg Area SD	Hamburg Area School District	701 Windsor Street	Hamburg	19526	100 Mbps
B11	Kutztown Area SD	Kutztown Area School District	50 Trexler Avenue	Kutztown	19530	100 Mbps
B12	Muhlenberg SD	Muhlenberg High School	Sharp Avenue and Frances Street	Laureldale	19605	100 Mbps
B15	Wilson SD	Wilson Central Jr. High School	2601 Grandview Boulevard	West Lawn	19609	1000 Mbps
B16	Wyomissing Area SD	Wyomissing Area Jr./Sr. High	630 Evans Avenue	Wyomissing	19610	100 Mbps
B19	Reading-Muhlenberg Vo-Tech	Reading-Muhlenberg Career & Technology Ctr.	2615 Warren Road	Reading	19604	100 Mbps
B1A	BCIU Education Center	BCIU Education Center	2101 Centre Avenue	Reading	19605	1000 Mbps
F70-IU14	Hamburg Area SD	Perry Elementary	201 Fourth Street	Shoemakersville	19555	100 Mbps
F71-IU14	Hamburg Area SD	Tilden Primary Center	524 West State Street	Hamburg	19526	100 Mbps
*F23-IU14	Berks County IU 14	Alsace School	17 Basket Road	Reading	19606	100 Mbps
*F24-IU14	Berks County IU 14	BCIU Learning Center	705 Friedensburg Road	Reading	19606	100 Mbps
*F26-IU14	Berks County IU 14	St. Paul's ECE	131 N 9th St	Reading	19601	100 Mbps
*F72-IU14	Governor Mifflin SD	Brecknock Elementary	1332 Alleghenyville Road	Mohnton	19540	100 Mbps

*** These sites do not include Network Configured Equipment.**

Addendum to Exhibit A**Customer Premises Equipment for Use with Transparent LAN Service and Network Managed WAN Services for 3750 Cisco Switches and 1841 Routers**

This Addendum is attached to and made a part of Exhibit A (the "TLS Exhibit"), pursuant to which Transparent LAN Service ("TLS Service") and the network configured equipment and associated Network Managed WAN Services for 3750 Cisco Switches and 1841 Routers ("TLS Equipment") will be provided to Customer.

1. Equipment and Quantity Commitments. Customer agrees to pay the rates and charges set forth below for the quantities of network configured equipment and associated Managed WAN services (collectively referred to herein as the "TLS Equipment") listed below for the Service Period set forth below. Such TLS Equipment shall be used in conjunction with the TLS Service provided under the TLS Exhibit. Accordingly, the terms and conditions of the TLS Exhibit and the Agreement to which it is attached, shall apply to the provision of the TLS Equipment hereunder, except as otherwise expressly provided below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, under separate agreement or a signed amendment to this Addendum.

a. Description. Verizon will provide the following TLS Equipment:

IU #14

<u>Qty</u>	<u>TLS Equipment</u>	<u>Monthly Charge Per Unit</u>	<u>Total Monthly Charge</u>	<u>Non-Recurring Charge Per Unit</u>
14	3750 Cisco Switches and 1-1841 Router	\$ 297.00*	\$ 4,158.00*	N/A
1	1841 Router	Included above*	Included above*	N/A
	Network Managed WAN Full Management- small device and medium device	Included above*	Included above*	N/A

The above rates and charges do not include (without limitation) taxes, fees, charges, surcharges, or "Government Charges" which are defined as amounts Verizon is required or permitted by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Customer will pay the rates and charges set forth above in addition to paying all applicable taxes, fees, and charges, including but not limited to Federal End User Common Line Charges and Government Charges, charged pursuant to applicable law, regulations, or tariffs in connection with the Service.

b. Installation and Maintenance. The above includes installation of the TLS Equipment during normal business hours at the Customer Locations referred to below. Verizon will perform such maintenance as is necessitated by normal use of the equipment in accordance with all applicable manufacturer specifications, and shall not include performance of: (i) any moves, additions, or changes; (ii) maintenance necessitated by accident, casualty (including fire, flood, lightning, power disturbances, and other force majeure events), neglect, misuse, intentional acts of Customer or third parties, or by excessive moisture or other unsuitable temperature or environmental conditions; (iii) recovery of lost data; (iv) upgrades, enhancements, or new releases of software or firmware. Additional charges may be required for performance of any such excluded items. Verizon will replace items of

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TLS Equipment it determines needs to be replaced with equipment of like kind and functionality from a manufacturer of Verizon's choice at the time of replacement ("Exchange Unit"). Before replacing any items of TLS Equipment, Verizon will attempt to contact Customer to schedule it.

c. Network Managed WAN Services. Verizon will provide the Network Managed WAN Service ("MWAN Service") described below for the 3750 Cisco Switches and 1841 Routers identified above (collectively, "Managed Devices").

1. **Network Managed WAN Service.** MWAN Service is a WAN device management solution. MWAN Service incorporates the management oversight and responsibility for Managed Devices into Verizon's network management services. Verizon will provide Full Management as described below.

- 1.1 **Full Management** is a comprehensive MWAN Service that includes the following services for Managed Devices:

- 1.2 Monitoring. Verizon will proactively monitor the Managed Devices 24 hours a day, seven days a week. Verizon will monitor Managed Devices via use of the simple network management protocol (SNMP) and internet control message protocol ("ICMP" commonly called a "ping") for status and error conditions (e.g. SNMP trap messages).

Management. The Verizon network operations center ("NOC") provides both logical and physical fault detection, isolation, and monitoring services for the Managed Devices. The NOC provides coverage 24 hours per day, seven days per week. Faults will be resolved by Verizon, with Customer's cooperation, whether due to Verizon, Customer or third party issues. Management of Managed Devices includes management of applicable software licenses that may be configured on the Managed Devices.

- 1.3 Configuration. Verizon will plan, system engineer, and overall project manage the Managed Devices.

d. Customer Locations. The TLS Equipment shown above shall be provided to Customer under the terms hereof at the locations set forth in the TLS Exhibit where TLS Service will be provided thereunder ("Customer Locations"). Customer acknowledges that the TLS Equipment may be a shared resource with other Verizon customers. Customer may add additional TLS Equipment at mutually agreed upon rates via an amendment to this Exhibit. Customer shall provide to Verizon during the Service Period at each Customer location suitable and secure space, with suitable environmental conditions and uninterruptible power supply, building entrance facilities and conduit, for location of, and access to, the TLS Equipment and associated facilities to be used by Verizon to provide such TLS Equipment.

e. Return of Equipment. Upon Verizon's request, Customer shall return all terminated items of TLS Equipment to Verizon in good condition and repair, reasonable and proper depreciation excepted (or otherwise dispose of the TLS Equipment as Verizon directs), within five business days after the expiration or termination of the Service Period, or early termination of the TLS Equipment, whichever is earlier. Verizon will contact Customer with shipping address and return instructions. Customer is liable for any loss or damage to the items of TLS Equipment resulting from theft, disappearance, fire or any other cause.

2. Term or Service Period. Customer shall pay for such TLS Equipment for a minimum period commencing upon the In-Service Date of TLS Equipment (as defined below) for each item of TLS Equipment and continuing thereafter for the Service Period stated in the TLS Exhibit for the associated TLS Service and will be coterminous with such TLS Service. The in-service date for each item of TLS Equipment shall be the date, following execution of this Addendum, on which such item of TLS Equipment item has been delivered to Customer and has been installed and is available for use by Customer together with the associated TLS Service at the respective

Customer Location ("In-Service Date of TLS Equipment"). Prior to the end of the Service Period, Verizon will provide Customer with notice of impending expiration and instructions for return of the TLS Equipment.

3. Termination Charges. If Customer terminates the Agreement or this Addendum, in whole or in part, or terminates any item of TLS Equipment prior to the expiration of the initial Service Period, or if Verizon terminates the Agreement, the TLS Exhibit, this Addendum, or TLS Equipment for cause, Customer shall pay to Verizon a termination charge equal to the applicable monthly rate attributable to the terminated item of TLS Equipment multiplied by the number of months remaining in the unexpired portion of the initial Service Period. Any such termination liability charge shall be due and payable in one lump sum within 30 days of billing. In the event of such termination, Customer shall return the item of TLS Equipment as directed above.

4. Additional Provisions.

a. Facilities. Additional charges may be required if suitable facilities are not available to provide TLS Equipment at any locations, or if any additional work, services, or quantities of TLS Equipment are provided. In the event additional work, services, or facilities are required, Verizon will inform Customer of such applicable charges, and Verizon will provide same only upon mutual agreement of the parties to such additional charges that is reflected in an amendment to this Agreement. If Customer does not agree to pay such additional charges, then TLS Equipment Services impacted by the requirements for additional work, services or facilities will be subject to termination by Verizon without application of the termination charges described above.

b. Payment and Performance. Verizon will invoice Customer monthly. Payments will be due net 30 days from the invoice date, unless a different date appears on the invoice. Payments received after the due date shall be subject to a late payment charge calculated using the same formula as is applicable for late payment of the underlying TLS Service. Listed charges do not include applicable taxes, surcharges, and other amounts due under law, which Customer agrees to pay (unless exempt by applicable law), in addition to the listed charges. Verizon may suspend or terminate this Addendum or its provision of TLS Equipment hereunder, in whole or in part, for cause if Customer fails to pay any invoice, excluding disputed amounts, within 10 days of receiving notice that payment is overdue. Verizon may suspend or terminate this Addendum or its provision of TLS Equipment hereunder, in whole or in part, for cause if Customer fails to perform or comply with any other material provision of this Addendum, and does not cure such failure within 30 days after written notice thereof.

c. Title, Risk of Loss. Verizon or its suppliers will retain ownership of all right, title, and interest in all equipment, software, and facilities used or furnished by Verizon or its suppliers hereunder or to provide TLS Equipment or perform this Addendum. Any software provided will be subject to the terms of any license provided by the software publisher or the manufacturer of the equipment with which the software is provided. Customer shall, if required, execute a separate software license agreement in a form satisfactory to the software publisher or equipment manufacturer. Risk of loss or damage to any equipment provided to Customer shall pass to, and remain with, Customer from the time such equipment is delivered to Customer's location until the time it is returned to Verizon's site. Customer shall pay Verizon the reasonable and customary costs of repair or replacement of equipment if such loss or damage occurs. TLS Equipment shall not be moved or removed by Customer without Verizon's prior written consent.

d. Limited Warranty. Verizon warrants that all work shall be performed in a good and workmanlike manner or such work will be reperfomed. Verizon makes no warranties whatsoever with respect to any equipment and/or software, if any, that is provided under this Addendum. **THE WARRANTIES SET FORTH IN THIS ADDENDUM ARE IN LIEU OF ALL OTHER WARRANTIES FROM VERIZON. OTHERWISE VERIZON DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY OF NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. VERIZON SHALL NOT BE LIABLE FOR UNAUTHORIZED ACCESS TO VERIZON'S OR CUSTOMER'S TRANSMISSION FACILITIES OR PREMISES EQUIPMENT OR FOR UNAUTHORIZED ACCESS TO OR ALTERATION, THEFT OR DESTRUCTION OF CUSTOMER'S DATA FILES, PROGRAMS, PROCEDURES OR INFORMATION THROUGH ACCIDENT, FRAUDULENT MEANS OR DEVICES, OR ANY OTHER METHOD. VERIZON MAKES NO WARRANTY FOR USE OF THE SYSTEM AS A COMPONENT IN**

LIFE SUPPORT SYSTEMS OR DEVICES, PUBLIC SAFETY SYSTEMS, OR WITH RESPECT TO THE PERFORMANCE OF ANY SOFTWARE OR FIRMWARE.

e. Limitation of Liability. EXCEPT FOR PAYMENTS OWED UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING A PARTY'S NEGLIGENCE) OR OTHERWISE, INCLUDING WITHOUT LIMITATION DAMAGES ARISING FROM DELAY, LOSS OF GOODWILL, LOSS OF OR DAMAGE TO DATA, LOST PROFITS (ACTUAL OR ANTICIPATED), UNAVAILABILITY OF ALL OR PART OF THE SYSTEM, OR OTHER COMMERCIAL OR ECONOMIC LOSS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS SET OUT HEREIN, VERIZON'S ENTIRE LIABILITY FOR ANY OTHER DAMAGE WHICH MAY ARISE HEREUNDER, FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING VERIZON'S NEGLIGENCE, OR OTHERWISE, SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED THE AMOUNT PAID BY CUSTOMER TO VERIZON UNDER THIS ADDENDUM FOR THE SIX MONTH PERIOD PRIOR TO ACCRUAL OF THE MOST RECENT CAUSE OF ACTION FOR THE SPECIFIC EQUIPMENT, SOFTWARE OR SERVICES GIVING RISE TO THE CLAIM. VERIZON SHALL BEAR NO LIABILITY FOR USE OF EQUIPMENT, SOFTWARE OR SERVICES PROVIDED UNDER THIS AGREEMENT IN CONNECTION WITH LIFE SUPPORT SYSTEMS OR DEVICES OR PUBLIC SAFETY SYSTEMS. EXCEPT AS EXPRESSLY STATED OTHERWISE HEREIN, VERIZON SHALL HAVE NO LIABILITY OR RESPONSIBILITY FOR INTEROPERABILITY OR COMPATIBILITY OF THE SYSTEM WITH THIRD-PARTY PRODUCTS OR SYSTEMS THAT CUSTOMER MAY UTILIZE IN CONJUNCTION WITH THE SYSTEM OR TO WHICH CUSTOMER MAY CONNECT THE SYSTEM.

SECURITY SERVICES DISCLAIMER. VERIZON MAKES NO WARRANTIES, GUARANTEES, OR REPRESENTATIONS, EXPRESS, OR IMPLIED, THAT (I) THE SERVICES PROVIDED PURSUANT TO THIS ATTACHMENT WILL PROTECT CUSTOMER'S NETWORK FROM INTRUSIONS, VIRUSES, TROJAN HORSES, WORMS, TIME BOMBS, CANCELBOTS OR OTHER SIMILAR HARMFUL OR DESTRUCTIVE PROGRAMMING ROUTINES; (II) ANY SECURITY THREATS AND VULNERABILITIES TO CUSTOMER'S NETWORK WILL BE PREVENTED OR DETECTED; OR (III) THE PERFORMANCE BY VERIZON OF ANY SERVICES UNDER THIS AGREEMENT WILL RENDER CUSTOMER'S SYSTEMS INVULNERABLE TO SECURITY BREACHES.

5. Indemnification and Defense.

a. Except as provided below, Verizon will defend Customer against any claim, suit, action or proceeding alleging that TLS Equipment infringes a valid U.S. patent or copyright ("Claim"), and Verizon will indemnify and hold harmless Customer against any and all finally awarded costs and expenses, including attorneys' fees, in connection with any such Claim.

b. If the use of any TLS Equipment is enjoined or subject to a Claim as described above, Verizon may, at its option and expense, either procure for Customer the right to continue to use the equipment, replace the equipment, or relevant component, with substantially equivalent, non-infringing equipment, or relevant component, or modify the equipment, or relevant component, so that it becomes non-infringing. In the event that none of the foregoing options is commercially reasonable to Verizon, Verizon will remove the infringing TLS Equipment.

c. Verizon shall have no obligation for (i) any costs, fees or expenses incurred by Customer without Verizon's prior written consent; or (ii) any indirect, special, consequential or incidental damages arising out of any Claim.

d. Any obligation on the part of Verizon to defend and indemnify shall not apply to any Claim or portion thereof that arises from (i) any negligent or willful act or omission by or attributable to Customer; (ii) use or operation of the TLS Equipment in combination with equipment or services provided by Customer or any third party; (iii) any addition to or modification of the TLS Equipment by Customer, any third party or Verizon at Customer's request; (iv) use of other than the then current unaltered release of any software used in the TLS Equipment; or (v) any equipment, system, product, process, method or service of Customer which otherwise infringed the U.S. patent or copyright asserted against Customer prior to the supply of the TLS Equipment to Customer under the Addendum.

e. The foregoing states the entire obligation of Verizon to Customer and is Customer's sole and exclusive remedy with respect to any Claim of infringement of any intellectual property right of any kind, and Verizon disclaims all other warranties and obligations with respect to any such Claims.

f. Customer shall defend, indemnify and hold harmless Verizon, its employees, officers, directors, agents and affiliates for damages, costs and attorneys fees in connection with any claim arising out of (i) Customer's use of the TLS Equipment other than as expressly indemnified by Verizon pursuant to Section 5(a) of this Addendum, (ii) combination of the TLS Equipment with other equipment, software, products or services not provided by Verizon under this Addendum, (iii) modification of the TLS Equipment, or (iv) the content of communications transmitted by or on behalf of Customer in the use of the TLS Equipment or services provided by Verizon, including but not limited to libel, slander, and invasion of privacy.

g. The defense and indemnification obligations set forth in this Section are contingent upon (1) the indemnitee providing the indemnitor prompt, written, and reasonable notice of the claims, demands, and/or causes of action subject to indemnification, (2) the indemnitee granting the indemnitor the right to control the defense of the same, and (3) the indemnitee's full cooperation with the indemnitor in defense of the claim, including providing information and assistance in defending the claim. Nothing herein, however, shall restrict the indemnitee from participating, on a non-interfering basis, in the defense of the claim, demand, and/or cause of action at its own cost and expense with counsel of its own choosing. No settlement may be entered into by the indemnitor on behalf of the indemnitee that includes obligations to be performed by the indemnitee (other than payment of money that will be fully paid by the indemnitor under Sections 5(a) – 5(f) above) without indemnitee's prior written approval.

6. Customer Responsibilities. Customer will do the following:

- 6.1 **Information and Access Requests.** Upon request, Customer will provide information to Verizon, its subcontractors or its designated point of contact ("Verizon or its Designees") that is reasonably necessary or useful for Verizon to perform its obligations. In addition, upon request, Customer will provide Verizon or its Designees with access to Customer facilities, installation sites, and equipment as reasonably necessary or useful for Verizon to perform its obligations hereunder.
- 6.2 **Licenses.** Customer will obtain any necessary permits, licenses, variances, and/or other authorizations required by state and local jurisdictions for installation and operation of Managed Devices on Customer's premises or where the jurisdiction requires Customer to obtain the permit, license, variance and/or authorization.
- 6.3 **Building Space.** Customer will provide adequate building space, circuitry, facility wiring, temperature, humidity, and power to comply with the standards established by the manufacturer of the Managed Devices for proper installation and operation of the MWAN Service.
- 6.4 **Out of Band Access.** Out of band ("OOB") access is required for all Managed Devices. Customer will provide at their cost either a dedicated, analog telephone connection for use by each OOB modem. The analog telephone connection must maintain a minimum 9600 bits per second connection rate for site level service level agreements ("SLAs") to apply.

7. Reports. All copies of any reports, recommendations, documentation, Verizon Enterprise Center VEC] printouts, or other materials in any media form provided to Customer by Verizon hereunder will be treated as Verizon Confidential Information.